Center for American Progress Action Fund

# Outpouring of Support for the EPA's Plan to Cut Carbon Pollution from Power Plants

By Abby Bar-Lev and Billy Corriher April 20, 2016

The Obama administration's Clean Power Plan<sup>1</sup> is facing a legal challenge in the U.S. Court of Appeals for the D.C. Circuit from several states and power companies.<sup>2</sup> However, the plan also has received strong backing from prominent environmental groups, public health advocates, faith groups, electric utilities, several large corporations, and many states and state officials, among others.<sup>3</sup> By April 1, 18 amicus briefs were filed to support the Clean Power Plan. These friend-of-the-court briefs make clear that we must cut carbon pollution and expedite the country's transition to a cleaner energy economy.

In the Clean Power Plan, the U.S. Environmental Protection Agency, or EPA, sets state-based targets for carbon pollution reduction based on three approaches to emissions reductions:<sup>4</sup>

- · Making coal-fired power plants more efficient
- · Generating more electricity from lower-carbon natural gas
- Using zero-carbon, renewable sources of energy

States have the flexibility to choose the most efficient way to meet their carbon pollution reduction goals and can work with other states to facilitate implementation.

In September 2015, three judges on the D.C. Circuit Court of Appeals voted unanimously to allow the Clean Power Plan to proceed during the legal challenge from states and power companies.<sup>5</sup> But just before the death of Justice Antonin Scalia in February, the U.S. Supreme Court took the unprecedented step of halting the rule before the D.C. Circuit had even heard arguments in the lawsuit that challenges the standards.<sup>6</sup> Even if the D.C. Circuit ultimately upholds the plan, the Supreme Court halted it from going into effect until it can review and rule on the case.<sup>7</sup> As the D.C. Circuit will not hear oral arguments until June 2, the amicus brief filings, and the briefings of the parties that were due to the D.C. Circuit on April 15, are just the latest steps in a long legal process.<sup>8</sup> The Clean Power Plan is essential to ensuring a healthy future for American families, businesses, and the economy. The delay associated with this lawsuit could slow down the rule's implementation. It also could raise concerns about the country's ability to meet the carbon pollution reduction targets set last year at the U.N. conference on climate change.<sup>9</sup> At that meeting in Paris, nearly 200 countries agreed to limit their carbon emissions, with a goal of preventing global temperatures from rising to catastrophic levels; the Clean Power Plan is a crucial part of the Obama administration's plan to reach the Paris goals.

# The Clean Power Plan is good for the economy and families

Many businesses, in part due to increasing demand from investors and consumers, are switching to clean power; they recognize that doing so boosts their bottom lines and is a boon to the economy. The Clean Power Plan has support from dozens of states and cities that are already transitioning to clean energy. These jurisdictions recognize the urgent need to tackle climate change and understand that cleaner energy sources can save consumers money while reducing pollution.

Most importantly, meeting the Clean Power Plan's goals will save lives and protect the health of American children and families. In an amicus brief, the Catholic Climate Covenant and other faith leaders said that they "share a fundamental religious commitment to protect humans and all other living beings."<sup>10</sup> The brief said:

Climate change threatens human health and welfare, particularly for those living in poverty and the least powerful. The consequences of climate change are distributed neither evenly nor proportionally to the fruits of the economic activity that produces carbon emissions.<sup>11</sup>

#### Many states are on their way toward meeting the plan's goals

Some states—from Colorado to Tennessee to Minnesota—will reduce carbon dioxide emissions at even greater rates than those required by the Clean Power Plan.<sup>12</sup> Cities and states are already striving toward, and sometimes beyond, the goals that the plan has set. These governments are discovering that cleaner energy comes with a price tag far below the costs of traditional energy resources.

Eighteen states told the D.C. Circuit Court of Appeals that they are reducing carbon emissions as a core part of their energy policies.<sup>13</sup> According to an amicus brief filed by the Citizens Utility Board, Consumers Union, and Public Citizen, "most states—from Maine to Texas—have adopted statewide standards designed to promote energy-efficiency and renewable-energy solutions."<sup>14</sup> These state and local efforts already are reducing overall carbon emissions and producing savings for consumers. One analysis found that "in 2013 alone, these renewable-energy plans reduced overall greenhouse-gas emissions by 59 million metric tons" and saved consumers up to \$1.2 billion on their electric bills.<sup>15</sup>

The amicus brief from the Citizens Utility Board and others noted that some states have found that it can be "substantially cheaper" for utilities to rely on clean energy sources rather than traditional power plants.<sup>16</sup> Texas, for example, found that solar energy was more cost effective than natural gas, coal, or nuclear power and that utility companies could pass those savings on to consumers immediately.<sup>17</sup> The same brief noted that Michigan found new wind power contracts cost around half the price of coal and that combining sources of renewable energy was more cost effective than using fossil fuels.<sup>18</sup> Consequently, Michigan was able to lower consumers' electricity rates by 6.5 percent in 2014.<sup>19</sup> Iowa recently found that its \$1.9 billion investment in wind energy will save consumers who use it a combined \$10 million annually on their electric bills.<sup>20</sup> And Ohio—well on its way to achieving the Clean Power Plan's goals—projects that after an initial 3.2 percent increase in 2020, the cost of electricity to consumers will decline 6.7 percent by 2025 and 13.1 percent by 2030.<sup>21</sup>

Cities also have committed to moving toward cleaner energy sources. According to a brief filed by the National League of Cities; the U.S. Conference of Mayors; and dozens of cities, counties, and mayors, cities are recognizing that "to an increasingly obvious degree, [it] costs more to ignore [climate change] than it does to address [it]."<sup>22</sup> As a result, cities such as Baltimore; San Francisco; Dallas; Los Angeles; Minneapolis; Pittsburgh; Salt Lake City; Tucson, Arizona; cities and towns throughout southeast Florida; and many more have been undertaking efforts to address climate change. According to the National League of Cities brief, these efforts are "carefully considered guidelines for how to allocate scarce resources, devised to protect the health and welfare of city residents and the integrity of the assets and infrastructure they rely upon."<sup>23</sup> The Clean Power Plan has buoyed the endeavors of these cities, even as it only makes requirements of states.

The progress that states and cities have made in integrating clean energy into their grids will facilitate compliance with the Clean Power Plan. An amicus brief filed by former state air and energy regulators found that "as a result of market forces and state efforts to support energy efficiency, renewable energy, and emissions trading programs, many states already have or can easily achieve [Clean Power Plan] emission targets."<sup>24</sup> As an example, the brief points to Texas, which not only is on track to meet the plan's interim goals but also is 88 percent of the way toward meeting the 2030 compliance goal. Sixty-five percent of Texas' energy already comes from sources other than coal, and many of the state's companies say they should have no problems complying with the plan because they are already beginning to use diversified fuel mixes.<sup>25</sup>

The plaintiffs claim that the plan is a regulatory overreach that turns the EPA into a "central planner" for the energy industry,<sup>26</sup> but the regulations merely reflect and encourage an existing trend toward renewables and away from coal.

## Implementing the Clean Power Plan is good for business

Businesses are increasingly seeing the value of transitioning to renewable energy and supporting the goals of the Clean Power Plan. A 2015 Center for American Progress issue brief highlights studies which found that economics switching to renewable energy can in fact thrive. The studies found that economic growth is compatible with reducing carbon pollution.<sup>27</sup> The brief concluded that "the right combination of policy and technological innovation can cut carbon pollution while encouraging economic growth."<sup>28</sup>

In a brief filed with the D.C. Circuit, Adobe Inc., Mars Inc., IKEA North America Services LLC, and Blue Cross and Blue Shield of Massachusetts Inc. wrote that their companies use a significant amount of electricity and that, "The emissions associated with this electricity demand represent a considerable percentage of their carbon footprint."<sup>29</sup> These companies have committed to transitioning to cleaner energy sources, not only because it is good for the environment and important to public health but also because it is good for their bottom lines.<sup>30</sup>

Technology companies Amazon.com Inc., Apple Inc., Google Inc., and Microsoft Corp. filed a brief similarly stating that clean energy generation is "affordable, reliable, and consistent with sound business practices."<sup>31</sup> Clean energy is "less subject to price volatility" than coal and in many parts of the country provides "long-term cost certainty" to purchasers,<sup>32</sup> the companies said. Drawing from their experiences with various strategies to shift to renewable energy,<sup>33</sup> these tech companies explain they "have not been impeded by limitations on the availability of renewable energy in particular states."<sup>34</sup> Moreover, the Clean Power Plan will spur innovation and encourage collaboration that will create new ideas for how to support and expand the use of renewable energy.<sup>35</sup>

The overall economic savings resulting from reducing greenhouse gas emissions would be substantial. A 2009 report from McKinsey & Company states that a program such as the Clean Power Plan would "yield gross energy savings worth more than \$1.2 trillion" over time and could remove 1.1 gigatons of greenhouse gases from the atmosphere every year.<sup>36</sup>

## The plan reflects increasing demand for clean energy

It is increasingly clear that shifting to renewable energy is in business' best interests. It supports their bottom lines, and it is what their customers and investors have come to expect. Large companies such as Amazon, Apple, Google, and Microsoft have found that their public and private customers want them to use more clean energy and reduce carbon emissions.<sup>37</sup>

Investors also increasingly want to know how companies are reducing their carbon footprints; some investors have come together to invest trillions of dollars in companies that switch to renewable energy.<sup>38</sup> These investors will often "evaluate companies with reference to widely-cited sustainability ratings—such as CDP (formerly the 'Carbon Disclosure Project'), the Dow Jones Sustainability Index, Newsweek's Green Rankings, and Corporate Knight's Most Sustainable Companies."<sup>39</sup>

### The Clean Power Plan will protect public health

Among other things, climate change exacerbates health conditions such as asthma;<sup>40</sup> degrades air quality; and causes more extreme heat waves, hurricanes, and flooding.<sup>41</sup> The American Medical Association and other public health advocates explained in a brief that the Clean Power Plan stems from the Clean Air Act's mandate to protect public health.<sup>42</sup> Indeed, the brief notes that it was concerns about the human health costs of pollution that motivated Congress to pass the Clean Air Act amendments in 1970, 1977, and 1990.<sup>43</sup> Reducing emissions of carbon and conventional pollutants through the plan will both "reinforce ongoing market trends, and will reduce negative consequences for health" associated with climate change—which is "precisely the intent of the [Clean Air Act]."<sup>44</sup> And while these benefits will be felt broadly, a major element of the plan is a focus on ensuring that its benefits reach low-income Americans, who are the most susceptible to the damaging health effects of climate change.<sup>45</sup>

# Delaying on climate change would be devastating

The brief from the Catholic Climate Covenant noted that, since 2007, we have "seen largely unchecked emissions and accumulating evidence that the pace of change and the resulting harm are worse than we then understood."<sup>46</sup> According to the National League of Cities, more than 80 percent of Americans live in urban areas, which serve to concentrate the adverse effects of climate change.<sup>47</sup> As the brief notes, these effects include "increased heat-related illnesses and deaths, dirtier air, damaged and disappearing coast lines, longer droughts and other strains on water quantity and quality, increasingly frequent and severe storms and wildfires, and degraded ecosystems."<sup>48</sup>

The Environmental Defense Fund and other environmental groups filed a brief describing the dramatic effects of climate change and the urgent need to address them. The groups noted that climate change causes extreme weather events that "disproportionately affect children, the elderly, low-income populations, communities of color, and indigenous populations worldwide."<sup>49</sup> A group of climate scientists has identified the specific pollutants caused by burning fossil fuels that are harmful to human health and found that the Clean Power Plan will reduce those pollutants.<sup>50</sup> As a result, the plan is expected to reduce harmful air pollutants to historically low levels by 2030 and thus serves as a major boon to public health and welfare. In fact, the plan is anticipated annually to avoid 3,600 premature deaths, 1,700 heart attacks, 90,000 asthma attacks, and 300,000 missed workdays and schooldays.<sup>51</sup> The Clean Power Plan will be a boon to sustainable economic growth and to the health and well-being of American families.

# Conclusion

The United States is leading the global community in climate action. States and businesses already are undertaking successful efforts to transition to clean energy. The baseless lawsuit from several states and companies threatens U.S. leadership on meeting the goals in the Paris agreement and puts American lives and livelihoods at risk.

Fourteen of the 15 hottest years in history have happened since 2000, and 2014 was the warmest year in recorded history.<sup>52</sup> Americans across the country are already feeling the effects of climate change—from unprecedented droughts and increasing wildfires to severe storms and extreme weather. Both the D.C. Circuit Court of Appeals and the Supreme Court should uphold the Clean Power Plan, the EPA's common-sense approach to mitigating this dire problem.

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### Endnotes

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